

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

<div>In re:</div> <div>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</div> <div>as representative of</div> <div>THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i></div> <div>Debtors.¹</div>	<div>PROMESA Title III</div> <div>Case No. 17 BK 3283-LTS (Jointly Administered)</div>
<div>In re:</div> <div>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</div> <div>as representative of</div> <div>PUERTO RICO ELECTRIC POWER AUTHORITY,</div> <div>Debtor.</div>	<div>PROMESA Title III</div> <div>Case No. 17 BK 4780-LTS (Jointly Administered)</div>

**REPLY OF THE PUERTO RICO ELECTRIC POWER
AUTHORITY TO THE RESPONSE FILED BY MIRIAM SANCHEZ LEBRON
[ECF NO. 20646] TO THE FOUR HUNDRED FORTY-EIGHTH
OMNIBUS OBJECTION (SUBSTANTIVE) OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY TO CLAIMS FOR WHICH IT IS NOT LIABLE**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Judge Laura Taylor Swain:

The Puerto Rico Electric and Power Authority (“PREPA” or the “Debtor”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as PREPA’s sole Title III representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² respectfully submits this reply (the “Reply”) to the response filed by Miriam Sanchez Lebron (“Sanchez Lebron”) [Case No. 17 BK 3283-LTS, ECF No. 20646]³ (the “Response”) to the *Four Hundred Forty-Eighth Omnibus Objection (Substantive) of the Puerto Rico Electric Power Authority to Claims for Which It Is Not Liable* [ECF No. 20504] (the “Four Hundred Forty-Eighth Omnibus Objection”). In support of this Reply, PREPA respectfully represents as follows:

1. On April 1, 2022, PREPA filed the Four Hundred Forty-Eighth Omnibus Objection seeking to disallow certain claims that seek recovery of amounts for which PREPA is not liable (the “Claims to Be Disallowed”), each as listed on Exhibit A thereto.

2. Any party who disputed the Four Hundred Forty-Eighth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on May 2, 2022 in accordance with the Court-approved notice attached to the Four Hundred Forty-Eighth Omnibus Objection as Exhibit C, which was served in English and Spanish on the individual creditors subject to the Four Hundred Forty-Eighth Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined in the *Sixteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 20190-1]). *See Certificate of Service* [ECF No. 20558].

² PROMESA has been codified at 48 U.S.C. §§ 2101–2241.

³ Unless otherwise stated, references to the docket shall refer to Case No. 17-3283.

3. Sanchez Lebron filed a claim against PREPA on May 18, 2018, which was logged by Prime Clerk LLC as Proof of Claim No. 17433 (the “Sanchez Lebron Claim”). The Sanchez Lebron Claim asserts liabilities purportedly arising from “real estate,” “expropriation,” or “legal contracts.” The Sanchez Lebron Claim does not identify the case number for an expropriation proceeding or otherwise provide any information regarding land purportedly expropriated by PREPA. Rather, it cites Case No. 17-cv-2379, a litigation filed in the U.S. District Court for the District of Puerto Rico against the National Personnel Records Center, the Defense Finance and Accounting Service, the Department of Veterans Affairs, and the United States of America, seeking access to records from one of more of those agencies. Accordingly, the Sanchez Lebron Claim did not provide a basis for any liabilities owed to Sanchez Lebron by PREPA.

4. The Response likewise does not identify any liabilities owed to PREPA. Rather, it asserts that the “Department of General Justice” and the Superior Court of Humacao have not disclosed certain resolutions that would establish Sanchez Lebron’s rightful ownership of “assets of the public corporation PREPA.” The Response attaches (1) an “Estate Partition and Adjudication Deed,” and (2) a Declaration of Heirs of Eladio Lebrón, filed in Puerto Rico Superior Court, Humacao Division, On June 24, 1955 (the “Resolution”), *see id.* at 10–11. The Resolution, declares, among others, Juana Lebron Perez as Eladio Lebron’s heir. But neither the Estate Partition and Adjudication Deed nor the Resolution provide a basis for any liabilities owed to Sanchez Lebron by PREPA.

5. Sanchez Lebron further asserts her “civil and constitutional rights” have been violated by the “Department of General Justice,” “dependencies of the Commonwealth of Puerto Rico,” and an unnamed third party. *Id.* at 2. The Response does not, however, identify any specific actions taken by the Debtor giving rise to such a claim, and accordingly, Sanchez Lebron has not

established a basis for any recovery, against PREPA or any other Title III debtor, in respect of these violations. Accordingly, to the extent the Sanchez Lebron Claim asserts liabilities arising out of purported violations of Sanchez Lebron's "civil and constitutional rights," they should be disallowed.

6. For the foregoing reasons, PREPA respectfully requests that the Court grant the Four Forty-Eighth Omnibus Objection and reclassify the Sanchez Lebron Claim notwithstanding the Response.

[Remainder of Page Intentionally Left Blank]

Dated: April 11, 2023
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

Hermann D. Bauer
USDC No. 215205
Carla García-Benítez
USDC No. 203708
Gabriel A. Miranda
USDC No. 306704
O'NEILL & BORGES LLC
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944

/s/ Martin J. Bienenstock

Martin J. Bienenstock
Ehud Barak
Paul V. Possinger
(Admitted *Pro Hac Vice*)
PROSKAUER ROSE LLP
Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900
Email: mbienenstock@proskauer.com
ebarak@proskauer.com
ppossinger@proskauer.com

*Attorneys for the Financial
Oversight and Management Board
as representative for PREPA*